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THIS IS UNEVALUATED INFORMATION

1. The Ministry of Foreign Trade was formed at the end of 1948 or the beginning of 1949, when the former Ministry of Commerce was dissolved. Up to that date the Ministry of Commerce handled a wide range of affairs, and when it became necessary to divide those affairs between several institutions the Ministry of Commerce was dissolved and five or six (possibly more) new Ministries were formed. The following institutions are known to have originated from the Ministry of Commerce:

- a. Ministry of Foreign Trade;
- b. Ministry of Internal Trade;
- c. Ministry of Electricity;
- d. Ministry of Light Industry;
- e. Ministry of Metallurgy and Chemicals;
- f. Ministry of Mines and Fuel; and
- g. DAG (Management of General Supplies).

The Supreme State Planning Commission plans and controls the activities of these ministries.

2. The Ministry of Foreign Trade consists of the Ministry proper and a number of import and export companies which are attached to it. The Ministry proper is located at Bulevardul Republicii, Bucharest, where about 700 officials are employed. At the head of the Ministry is the Minister for Foreign Trade. There are two Deputy Ministers, one for commerce and one for production. Besides the two deputies there are two ministerial advisors, one for administration and finance and one for political and economic control. The work of the Ministry is divided among eight divisions, each headed by a director:

- a. Trade relations with the Soviet Union;
- b. Trade relations with the remaining countries in the Eastern bloc;

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- c. Trade relations with Western countries;
- d. Import;
- e. Export;
- f. Protocol and administration;
- g. Customs; and
- h. Foreign currency payments.

Besides these divisions there is a Cadre (staff division) which is headed by a full director. In addition there is a sub-division for administration and finance, which is headed by a person below the rank of director and which is to a very large extent directly controlled by the ministerial advisor for administration.

3. A number of import and export companies belong to the Ministry of Foreign Trade. The exact position of these companies is hard to understand by people outside the Iron Curtain countries. To the outside world they seem to be independent companies, but in reality they are departments of the Ministry of Foreign Trade. Companies are formed and dissolved or fused by the Ministry as requirements demand. Fields of imports and exports are divided among the companies by the Ministry. Company directors who, incidentally, are switched rather frequently by the Ministry, and all personnel depend on the Ministry. All import and export transactions of these companies are controlled and directed by the Ministry but the companies handle all transactions from the moment they receive the yearly import-export plan from the Supreme Planning Commission, until materials are delivered to the factories. Transport and even customs changes are carried by the companies. Since all these companies are state owned, there is no commission on imported or exported articles, and consequently, the companies make no profits. Wages and expenses are paid by the State. The following companies were known to exist by the middle of 1950:

- a. Textil Import (textiles);
- b. Romano Export (various articles);
- c. Chimimport (chemicals);
- d. Metal Import (metals);
- e. Masini Import (machines);
- f. Petrol Export (oil and oil products);
- g. Industrial Import (tools and equipment for oil industry);
- h. Exportlemn (lumber);
- i. Prodexport (meat, colonial products);
- j. Fructexport (fruits, vegetables and drinks);
- k. Prodaliment (company supplying Prodexport); and
- l. Agro Export (grain fodder).

It should be noted that the name import or export (in connection with some items) does not necessarily mean that this company imports or exports exclusively. On the contrary, most companies have a two-fold task of importing and exporting. In June 1951, Textil Import and Romano Export were reportedly merged. The reason for this seems to be the order from the Supreme Planning Commission, which was issued in May 1951, and according to which every factory and company in Rumania had to cut down administrative expenses by 13%. How to accomplish this was left to every enterprise to decide for itself. Some discharged personnel, others cut down wages.

4. The Supreme State Planning Commission controls and directs the activities of a number of ministries, including the Ministry of Foreign Trade. This commission consists of nearly 20 members, each of whom heads a division. Although exact details concerning production were fixed by the Five Year Plan, it becomes necessary every year to adjust the plan to reality, as most branches are behind schedule. The Plan is worked out in close consultation with the different Planning Departments, which exist in every institution in the State, from the ministries to the smallest factory. If, for instance, a certain production

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output is dictated to a certain factory, the Planning Department of this factory is consulted concerning the machines and materials which are necessary to accomplish this output. The import and export plan for the following year is based on this information. Figures for imports and exports, which are always quoted in dollars, must balance. Therefore, if import figures exceed those of export, either imports are curtailed or special measures are taken to increase production for exports. The first plan of this kind was worked out in 1948 for the year of 1949. But as it was handed to the competent ministry for implementation only at the end of 1948, it soon became clear that it could not be accomplished. Trade agreements had to be concluded, and this was not done until a few months had elapsed. Materials for production should have been imported from the beginning of the year. In extreme cases, where heavy pieces of machinery were concerned, the term of delivery was sometimes 18 or more months, so that accomplishment of the plan during 1949 became quite impossible. Therefore pains were taken to conclude the following year's plan as early as possible and it was actually received by the Ministry of Foreign Trade in September 1949. No details are known about the plan for the year 1951. In case an article was not produced in time, or the quantity of an article in the plan was insufficient, no changes could be made during the current year. An exception to this was the production of articles to be exported to the USSR. Generally prices were left open, but ceilings for imported articles were fixed by the Commission. Apparently the job became too big for the Supreme State Planning Commission, and in May 1951 it was divided into two separate Commissions, the one still in charge of planning and the other responsible for supplies. Details about these new commissions and their exact share of the work are not known. But it seems that the Planning Commission is still the supreme body, while the Supplies Commission has to make the implementation of the plan possible.

5. The Soviet Government decides Rumania's imports and exports. After a plan is finished it is submitted to the Soviet Union (together with all the other plans of the Eastern Bloc countries), and Moscow decides all trade agreements within the Bloc. If a certain quantity of a material is quoted in the Rumanian import plan, the USSR either agrees to supply it herself, or orders one of her satellites to do so. Rumania is told in only a very few cases to look for certain imports in other countries. Rumania is allowed to export only a very limited number of articles on the free market, at whatever prices she may get. The rest is divided among the USSR and her satellites at prices fixed by the USSR. The situation becomes so absurd that in some cases satellite countries are forced to export articles which they would not have exported but would have used in their own industries, had they the power to act of their own free will. Some trade transactions between two satellite countries are handled by Soviet firms. To illustrate: In 1949 the Soviet Union agreed to supply Rumania a certain quantity of salvaged iron quoted in the import plan. Instead of supplying the whole quantity herself, however, she ordered Albania to supply part of it. When the SS ARDEALUL arrived at Constanta with a supposed load of 2,500 tons, it was found that 700 tons were missing. Inquiries could not be lodged in Albania, however, but only with the Soviet firm Rosnoj Import, which was responsible for the transaction. It was later discovered that the material was not weighed in Albania before being loaded, and consequently Rumanian trade balances were credited with the full amount. (Other Moscow firms known to handle such transactions are Promsirio Import and Sojuz Import). Officially, a separate trade agreement is concluded each year among all of the satellite countries, and a certain number of articles are traded without the Soviet Union's interference. For this purpose trade talks are held each year. Trade talks between Poland and Rumania, for instance, are held alternately in Bucharest and in Warsaw. These talks are usually conducted in a very fierce and even hostile spirit. Unreasonable points are argued and frequently no agreement is reached. It happened, for instance, that trade delegations of countries interested in imports of some articles quite seriously quoted the prices of 1938. Or Czechoslovakia claimed the Skoda

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cars to be of superior quality to American cars, and quoted export rates of Buick cars. In those cases where no agreement could be reached between two satellite countries (including China), the matter was referred to the Mutual Trade Assistance Pact Commission, a body situated in Moscow and to which every Eastern Bloc country must delegate a permanent member. As the USSR completely controls this institution, all differences were settled in accordance with her wishes. Outside sources are sought only when all import and export possibilities within the Eastern Bloc are exhausted. Even then pains are taken to make use of those companies which are set up in Western countries by local Communist Parties, and which ensure that profits made out of trading with a Communist country will ultimately serve some Communist cause, i.e. the local Communist Party. Cases are known where the Ministry of Foreign Trade paid 25% more than world prices in barter agreements with such companies. It should be noted that all trade agreements with the Soviet Union were always carried out promptly on the part of the Soviet Union and always to the satisfaction of Rumania. But it was impossible to obtain any article under any circumstances from the Soviet Union which was not included in the trade agreement at the beginning of the year.

6. Permanent delegates of the Ministry of Foreign Trade, with the rank of trade-counsellor are located in the following cities: Moscow, Prague, East Berlin, Warsaw, Sofia, Budapest, London, Paris, Vienna, Zurich and Milan. At Brussels, Tel Aviv and Beirut there exist permanent representatives who are citizens of the respective foreign country and who work either on commission or on fixed salaries. Besides these representatives there exist in some European cities the above mentioned Communist sponsored companies. These companies are disguised as ordinary trading companies, and trusted Communists are appointed by the Party as their managers. One of these companies is the firm Sorice in Paris, which has branches in Frankfurt, Germany and Rome. Another of these firms is Saurac in Lausanne, Switzerland. These companies, which aim to circumvent Western embargoes have permanent representatives in Bucharest.
7. Very frequently, changes are made in personnel of the companies and new companies are formed. There are several reasons for this. First, since the State planned and executed every trade transaction as well as execution, it was learned from experience that the few companies formed at the beginning of the nationalization were unable to cope with all the necessary activities. Gradually more and more trade companies were formed, each time specializing the companies to a larger extent. The second reason for frequent changes, which actually opposes the first, is the permanent endeavor to keep the State apparatus as efficient as possible and especially to cut down administrative expenses. The third reason and possibly the strongest, is the principle that no official should be allowed to develop at any job a sense of security and permanency. By frequent changes in personnel and the formation of new companies and the merging of old ones, every official stands in constant watch of his job and tries to prove his efficiency for fear of being moved to a less favorable position at the next "change". Many working days are lost by the constant move of personnel from one office and building to another.
8. With the exception of Exportleam and Petrol Export, all the above mentioned companies originated from a trading company called Sincomin (Society for International Commerce and Industry). It was founded in March or April 1947, by the Rumanian Communist Party. Its aims were: To undermine private enterprise, to develop foreign trade relations and to supply money to the Party funds. The first aim, to undermine private enterprise, was achieved by a very simple and thorough method. At the time of the inflation in Rumania huge credits were obtained by Sincomin from the Rumanian State Bank. These credits were used to buy factories, machinery and stock at any price.

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More than that, large quantities of finished goods were bought at official prices (no one considered at that time in Rumania to sell anything at official prices) with the aid of orders issued by the competent ministry. Manufacturers were promised that they would receive the corresponding quantity of raw materials also at official prices, but this promise in most cases was not observed. If it was observed, after two or three days, the money meanwhile had dropped to half its value. Shortly after the manipulation of these transactions, the money was stabilized and new currency was issued. This left all sellers with millions in valueless paper money. Every citizen was entitled to change a very small amount of his money into new currency, and the rest was to be paid in at the State Bank and promises were given that it would be changed at a later date at a rate of 1 to 20,000. But up to this day nobody has received his money. Business men who refused to hand over "sold" articles, were put into jail. By this simple trick, Sincomin succeeded in ruining private enterprise and at the same time helped the Party obtain huge profits. When nationalization came and the above mentioned State Companies were formed out of Sincomin, the latter, unlike private companies, handed its profits over to the Communist Party and not, as they were supposed to do, to the State. Tax arrears, which were due to the State for a period preceeding currency stabilization, had to be paid at a rate 1 to 3,000 and not at the same rate as money was to be changed, namely 1 to 20,000.

9. The Petrol Export Company, as stated before, did not originate from Sincomin. Its purpose is to export crude oil as well as all oil products. It was founded in 1948, but since then has been divided into two independent companies: the Petrol Export and the Industrial Export. The latter is responsible for the import of tools and equipment for the oil industry.
10. The Metal Import Company originated from the Sincomin. It handled the import of a wide range of articles and materials. Not only metals and finished goods made of metal were its concern, but nearly all materials used in the metal industry, from coal for blast-furnaces to grindstones of all sizes. In early 1950, Metal Import was divided into the following independent companies: Metal Import, Masini Import and Technoimports. The new Metal Import was to import and export all raw materials connected with the metal industry. The task of Masini Import was to import industrial and agricultural machines. Techno Import had to import optical instruments, precision tools, industrial diamonds, spare parts for textile machines, et cetera.
11. The Exportlemn Company originated from Dorna Foresta, a company founded by the Rumanian Communist Party on lines similar to the Sincomin. Its responsibility is the export of timber and timber products.
12. The Romano Export company, too, originated from the Sincomin and its tasks were originally to look after all other imports and exports not listed above. As this included too many objects, the company was divided into the following independent companies: Textil Import, Aliment Export, Chimimport and Romano Export. Textil Import and Romano Export were reportedly again amalgamated in May 1951. Aliment Export means export of foodstuffs. Its name, however, had to be changed in consideration of public opinion. The Rumanian people did not like to be reminded that foodstuffs were exported while they went hungry. Therefore the name Aliment Export was changed into Prodexport (exports of products) in 1949. In November 1950 changes were again carried out and Prodexport was divided into the following independent companies: Prodexport, Fructexport and Prodaliment. Prodexport had to export livestock, meat, and eggs and to import colonial produce (coffee, spices et cetera). Fructexport had to produce and to export fruit, vegetables and drinks. Prodaliment had to supply Prodexport with meat and poultry, partly from its own production and partly by purchases from other institutions. The task of Romano Export is still to import and export an assortment of goods, which are not included in the field of any other company. Chimimport handles the import of chemicals.

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13. The Agro Export Company, which originates from Furaj Exports, handles the export of grain and fodder.

14. Locations of the Ministry and import-export companies in Bucharest are:

Ministry of Foreign Trade - Generala Building, Strada Burse.
 Petrol Export - Behind the Athene Palace Hotel.
 Metal Import - Same as Petrol Export.
 Romano Export - Bulevardul General Magheru No. 1.
 Exportlemn - same as Romano Export
 Prodexport - Strada Ion Ghica No. 3
 Fructexport - Blvd. General Magheru No. 1-3.
 Prodaliment - Strada Brozoianu (same building as customs office).

15. Officially, every worker and official is entitled to a pension which amounts to 30-60% of his average basic pay after 25 years of work. There exists, however, a special commission with power to cancel any pension it may find necessary without giving any reason. This was done in many cases of people receiving pensions before nationalization. At present, an order is in force which states that persons who were not employed by the State during 1941 are not entitled to any pension, no matter how long they worked as State officials before the year of 1941, it includes officials who worked for many years before that date, then for some reason or other (mostly because of the war) stopped working in 1941, and after the war started working again. For these people, those years they worked before 1941 are not counted. If someone is today 55 or 60 years old, he has no hope of ever becoming eligible for a pension.

16. There are sixteen grades of wages corresponding to the scale of tasks. Each have three variations, low, medium and high, to show personal efficiency. Theoretically, the grade of any worker or official is fixed arbitrarily by a commission at the institution which employs him. Moreover, any worker or official may, without any fault of his own and without changing his job, be degraded. The average monthly net income of some ministry officials is given below. The second number represents premiums which almost always are paid:

General Manager	35,000 Lei	10,000-15,000 Lei
Assistant Manager	28,000 "	10,000 "
Chief Accountant	28,000 "	10,000 "
Adviser	25,000 "	6,000 "
Department Manager	22,000 "	4,000 "
Section Manager	12-14,000 "	2,000 "
Technical Adviser	11-13,000 "	
Typist - clerk	8-11,000 "	
Driver	8-11,000 "	
Charwoman	4,200 "	

In late 1950, it was ordered that taxes had to be paid on premiums, which hitherto had been exempted. This order was put into force January 1950.

17. A doctor is attached to every factory, company or other state institution. Unless people care to pay for their treatment they have to see this doctor when reporting sick. The doctor has the alternative either to grant a sick leave of up to four days or send the patient to a hospital. As a result of this procedure all hospitals are overcrowded. All annual leaves were recently reduced to 14 days.

18. There are no labor courts in Rumania. A man originally engaged as a Department Manager in Bucharest may be employed as a clerk at a provincial town, with no opportunity for appeal to a court. His only alternative is to be dismissed, but as this fact is noted on his labor card he will have difficulty in finding another job.

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PERSONALITIES.

<u>Name</u>	<u>Office</u>
Alexandru Barladeanu	Minister of Foreign Trade
Gogu Radulescu	Deputy Minister (commerce).
Nowak	Deputy Minister (production).
Zoltan Ghiali	Ministerial adviser (administration and finance).
Oscar Harmelin	Ministerial adviser (political and economic control).
Radu Simion (Harry Simon)	Assistant to Nowak.
Marcel Popescu	Trade relations with the Soviet Union.
Pavel Donath	Trade relations with the remaining Eastern countries.
Solvan Vitianu	Trade relations with Western countries.
(Mrs.) Moga	Assistant to Vitianu.
Ciobanu	Import
Lalu (Lobl)	Assistant to Ciobanu.
Stefan Lungu (Lang)	Export.
Vicol	Assistant to Lungu
Victor Ionescu	Protocol
Alexander Bogdan	Custom.
Jacques Codrin (Cohn)	Foreign Currency payments
Jordan	Staff division (Cadre).
<u>Trading Companies</u>	
<u>Petrolexport</u>	
Ghimpu	General Manager.

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NameOffice

Tanach

Brender

Industrial Export

Anghel

General Manager.

Bunescu

Gheller

Metal import

Voicu

General Manager.

Campeanu

Assistant Manager.

Dumitru

Assistant Manager.

Stern

Administration.

Sipos

Adviser.

Wunsch

Adviser.

Weiss

Adviser.

Molnar

Adviser.

Feins

Adviser.

Dulman

Adviser.

Barasch

Adviser.

Exportleam

Steriopol

General Manager.

Sostariici

Assistant Manager.
(commerce).

Benone Genescu

Adviser.

Volkman

Szego

Romano Export

Bela Rosinger

General Manager.

Andrei Klein

Assistant Manager.
(commerce).

Isaia Radulescu

Adviser.

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<u>Name</u>	<u>Office</u>
<u>Prodexport</u>	
Mrs. Mila Wulich	General Manager.
Andrei Csendes	Assistant Manager (commerce).
Gurovitz	Administrative Director.
Salo Tischler	Chief Accountant.
Palal	Adviser.
Ignatz Denes	Adviser.
<u>Fructexport</u>	
Micu Suzin	General Manager.
Caracidis	Administrative Director.
Cernat	Adviser.
Radu Stefanescu (Schwarz)	Adviser.
Mrs Razus	Cadre.
<u>Chimimport</u>	
Nowak	General Manager.
Rujan (Reiss)	Assistant Manager (commerce).
Kertesz	Adviser.
<u>Agro Export</u>	
Fekete	Assistant Manager
<u>Trade Representatives Abroad</u>	
Kun	Moscow
Benno Eisig	Berlin, East Zone
Tibor Kun	Prague
Freud	Prague
Petre Antim (Cohn)	Warsaw
Banu	Warsaw
Philipp	Budapest

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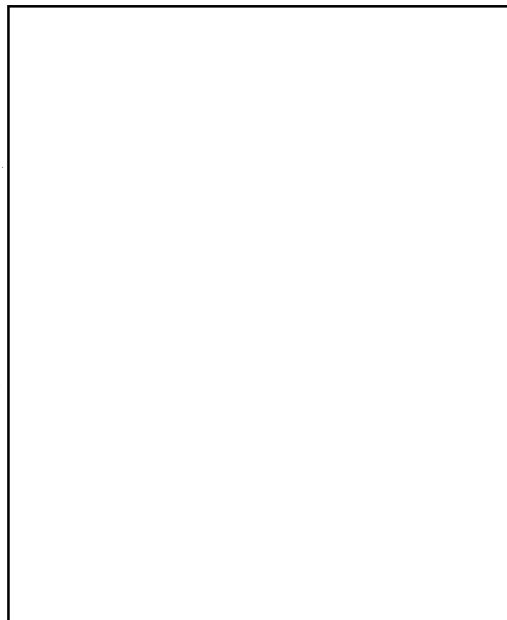
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<u>Name</u>	<u>Office</u>
Constantinescu	Budapest
Mrs. Corbu	London
Albu	London
Firu	Paris
Petroianu	Vienna
Maghure	Zurich
Gordon	Tel Aviv
Forbath	Brussels
Barasch	Milano
Detoef	Frankfurt
Frigyes	Beyrouth

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